

**Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382**

**AIR QUALITY PERMIT
Issued under 401 KAR 52:040**

Permittee Name: P.J. Murphy Forest Products
Mailing Address: PO Box 300 150 River Road, Montville, NJ
07045

Source Name: P.J. Murphy Forest Products
Mailing Address: 22 Commerce Drive
Monticello, KY 42633

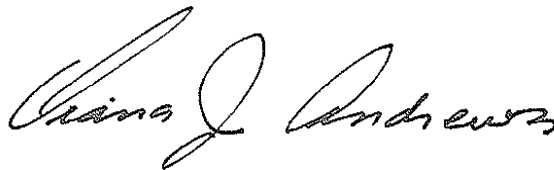
Source Location: 22 Commerce Drive
Monticello, KY 42633

Permit ID: S-08-032
Agency Interest #: 45087
Activity ID: APE20080001
Review Type: Minor Source, Construction / Operating
Source ID: 21-231-00033

Regional Office: London Regional Office
875 S. Main Street
London, KY 40741
(606) 330-2080

County: Wayne

Application
Complete Date: April 9, 2008
Issuance Date: May 5, 2008
Revision Date:
Expiration Date: May 5, 2018



**John S. Lyons, Director
Division for Air Quality**

SECTION A - PERMIT AUTHORIZATION

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the operation of the equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto.

The permittee shall not construct, reconstruct, or modify any affected facilities without first submitting a complete application and receiving a permit for the planned activity from the permitting authority, except as provided in this permit or in 401 KAR 52:040, State-origin permits.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining other permits, licenses, or approvals that may be required by the Cabinet or other federal, state, or local agencies.

SECTION B - EMISSION POINTS, EMISSION UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS**Emission Unit 01 (01)****Sawdust Receiving Hopper (Dryer 1)****Emission Unit 03 (03)****Sawdust Receiving Hopper (Dryer 2)****Description:**

Model:	Custom made
Construction Date:	4/2008 (dryer 2 unit is pending)
Maximum Capacity:	2 tons/hr
Pollutant Containment:	Enclosure (inherent part of the process)

Emission Unit 05 (05)**Screen****Description:**

Model:	Single deck screen
Construction Date:	4/2008
Maximum Capacity:	4 tons/hr
Pollutant Containment:	Enclosure (inherent part of the process)

Emission Unit 06 (06)**Truck Load out****Description:**

Model:	Auger conveyer
Construction Date:	4/2008
Maximum Capacity:	4 tons/hr
Pollutant Containment:	Enclosure (inherent part of the process)

Emission Unit 12a (12)**Haul Road/Yard Area (paved roads)****Description:**

Roads:	Paved
Construction Date:	9/2003
Pollutant Containment:	None

Emission Unit 12b (12)**Haul Road/Yard Area (unpaved roads)****Description:**

Roads:	Unpaved
Construction Date:	9/2003
Pollutant Containment:	Wet suppression

APPLICABLE REGULATIONS:

401 KAR 63:010, Fugitive emissions is applicable to each affected facility which emits or may emit fugitive emissions and is not elsewhere subject to an opacity standard within the administrative regulations of the Division for Air Quality.

1. Operating Limitations:

Version 12-10-2007

SECTION B - EMISSION POINTS, EMISSION UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Pursuant to 401 KAR 63:010 Section 3(1), no person shall cause, suffer, or allow any material to be handled, processed, transported, or stored; a building or its appurtenances to be constructed, altered, repaired, or demolished, or a road to be used without taking reasonable precaution to prevent particulate from becoming airborne.

Compliance Demonstration Methods:

- a. The screen and sawdust receiving hopper enclosures shall be operated to maintain compliance with permitted emission limitations.
- b. Operating procedures shall be maintained so that dust is not emitted from the processes in a manner and amount as to cause a nuisance.
- c. Maintenance of the enclosures shall be according to standard operating procedures.
- d. Such reasonable precautions shall include, when applicable, but not be limited to the following:
 - (1) Application and maintenance of asphalt, oil, water, or suitable chemicals on roads, material stockpiles, and other surfaces, which can create airborne dusts.
 - (2) Covering, at all times when in motion, open bodied trucks transporting materials likely to become airborne.
 - (3) The maintenance of paved roads in a clean condition.
 - (4) The prompt removal of earth or other material from a paved street, which earth or other material has been transported thereto by trucking or earth moving equipment or erosion by water.

2. Emission Limitations:

Pursuant to 401 KAR 63:010 Section 3(2), the permittee shall not cause or permit the discharge of visible fugitive dust emissions beyond the lot line of the property in which the emissions originates.

Compliance Demonstration Methods:

Refer to 1.0 Operating Limitations for compliance.

3. Testing Requirements:

None

4. Specific Monitoring Requirements:

Refer to 1.0 Operating Limitations, Compliance Demonstration Methods.

5. Specific Recordkeeping Requirements:

SECTION B - EMISSION POINTS, EMISSION UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

- a. Maintenance records of the enclosure and auger conveyor shall be maintained.
- b. A record of the dates that wet suppression is used to control dust shall be maintained. The permittee shall also keep a record of all efforts made to remove sawdust and other extraneous material from roadways and plant properties that could become airborne and discharge beyond property lines.

6. Specific Reporting Requirements:

None

SECTION B - EMISSION POINTS, EMISSION UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)**Emission Unit 02 (02)****Sawdust Dryer (# 1)****Emission Unit 04 (04)****Sawdust Dryer (# 2)****Description:**

Model:	Heil rotary dryer
Construction Date:	4/2008 (dryer 2 unit is pending)
Maximum Capacity:	2 tons/hr
Fuel Input:	7 mmBtu/hour
Primary Fuel:	Wood
Collection Device:	Cyclone (inherent part of the process)

Emission Unit 07 (07)**Hammermill Receiving 1&2****Emission Unit 08 (08)****Hammermill Receiving 3&4****Description:**

Model:	Custom made
Construction Date:	9/2003
Maximum Capacity:	3.75 tons/hr
Pollutant Containment:	Enclosure (inherent part of the process)

Emission Unit 09 (09)**Hammermills 1&2 Baghouse****Emission Unit 10 (10)****Hammermills 3&4 Baghouse****Description:**

Model:	Bliss model 4436 TME model E & P22 multi deck screen
Construction Date:	9/2003
Maximum Capacity:	3.75 tons/hr
Collecting Device:	Baghouse (inherent part of the process)

Emission Unit 11 (11)**Truck Load****Description:**

Model:	Pneumatic conveyance
Construction Date:	9/2003
Maximum Capacity:	7.5 tons/hr
Collecting Device:	Baghouse (inherent part of the process)

Emission Unit 13 (13)**Building Storage****Description:**

Model:	Not applicable
Construction Date:	4/2008
Maximum Capacity:	7.5 tons/hr
Pollutant Containment:	Enclosure (inherent part of the process)

APPLICABLE REGULATIONS

SECTION B - EMISSION POINTS, EMISSION UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

401 KAR 59:010, New Process Operations, applicable to an emission unit that commenced on or after July 2, 1975.

1. Operating Limitations:

None

2. Emission Limitations:

- a. Pursuant to 401 KAR 59:010, Section 3(2), the maximum particulate emissions shall not exceed the following:

Emission Unit 02 & 04	Sawdust Dryers	5.52 lb/hr
Emission Unit 07, 08, 09 & 10	Hammermill Receiving & Baghouse	8.15 lb/hr
Emission Unit 11 & 13	Truck Load & Building Storage	12.52 lb/hr

- b. Pursuant to 401 KAR 59:010, Section 3(1), no person shall cause, suffer, allow or permit a continuous emission into the open air from a stack (building vent) associated with any affected facility, which is equal to or greater than 20 % opacity.

Compliance Demonstration Methods

- a. The following equation is used to demonstrate compliance with particulate emissions limitations:

$$E_{allowable} = 2.34 \text{ lb/hr for } P \text{ less than or equal to } 0.5 \text{ ton/hr}$$

$$= 3.59P^{0.62} \text{ for } P \text{ greater than } 0.5 \text{ ton/hr but less than or equal to } 30 \text{ ton/hr}$$

Where

$$E_{allowable} = \text{Allowable rate of particulate emissions (lbs/hr)}$$

$$P = \text{Process weight rate (tons/hr), equal to the total process weight for a period that covers a complete batch operation (tons/batch) divided by the hours of actual process operation during the batch operation (hrs/batch).}$$

- b. (1) Operating procedures shall be maintained for the enclosures so that dust is not emitted from the processes in a manner and amount as to cause a nuisance and to maintain compliance with permitted emission limitations.
- (2) The cyclones, baghouses, conveyor equipment, and pneumatic system shall be operated and maintained in accordance with manufacturer's specifications and/or standard operating practices.
- (3) Doors into the building storage should be kept closed to the extent possible whenever sawdust is being loaded or unloaded.

(4) Refer to 4. Monitoring Requirements and 5. Recordkeeping Requirements.

SECTION B - EMISSION POINTS, EMISSION UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

3. Testing Requirements:

None

4. Monitoring Requirements:

The permittee shall perform a qualitative visual observation of the opacity of emissions from each stack (building vent) on a weekly basis, and maintain a log of the observations. If visible emissions are seen, the permittee shall determine the opacity emissions by Reference Method 9 and initiate an inspection of the control equipment for any necessary repairs.

5. Recordkeeping Requirements:

- a. Records of opacity determinations using U.S. EPA Reference Method 9 shall be maintained.
- b. Maintenance records of the cyclones and enclosures shall be maintained.
- c. The pressure drop across the baghouse and any other operation parameters specified by the manufacturer shall be documented. This shall include bag inspections, bag replacement and other maintenance recommended by the manufacturer.
- d. Records documenting the baghouse maintenance and operation parameters of the baghouse shall be maintained.

6. Reporting Requirements:

None

SECTION C - GENERAL CONDITIONS

1. Administrative Requirements

- a. The permittee shall comply with all conditions of this permit. Noncompliance shall be a violation of 401 KAR 52:040, Section 3(1)(b) and is grounds for enforcement action including but not limited to the termination, revocation and reissuance, or revision of this permit.
- b. This permit shall remain in effect for a fixed term of ten (10) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division. [401 KAR 52:040, Section 15]
- c. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit [Section 1a-11 of the *Cabinet Provisions and Procedures for Issuing State-Origin Permits* incorporated by reference in 401 KAR 52:040 Section 23].
- d. Pursuant to materials incorporated by reference by 401 KAR 52:040, this permit may be revised, revoked, reopened, reissued, or terminated for cause. The filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance shall not stay any permit condition [Section 1a-4, 5, of the *Cabinet Provisions and Procedures for Issuing State-Origin Permits* incorporated by reference in 401 KAR 52:040 Section 23].
- e. This permit does not convey property rights or exclusive privileges [Section 1a-8 of the *Cabinet Provisions and Procedures for Issuing State-Origin Permits* incorporated by reference in 401 KAR 52:040 Section 23].
- f. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance [401 KAR 52:040 Section 11(3)].

2. Recordkeeping Requirements

- a. Records of all required monitoring data and support information, including calibrations, maintenance records, and original strip chart recordings, and copies of all reports required by the Division for Air Quality, shall be retained by the permittee for a period of at least five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality [401 KAR 52:040 Section 3(1)(f) and Section 1b-IV-2 of the *Cabinet Provisions and Procedures for Issuing State-Origin Permits* incorporated by reference in 401 KAR 52:040 Section 23].

SECTION C - GENERAL CONDITIONS (CONTINUED)

- b. The permittee shall perform compliance certification and recordkeeping sufficient to assure compliance with the terms and conditions of the permit. Documents, including reports, shall be certified by a responsible official pursuant to 401 KAR 52:040, Section 21.

3. Reporting Requirements

- a. (1) In accordance with the provisions of 401 KAR 50:055, Section 1, the permittee shall notify the Regional Office listed on the front of this permit concerning startups, shutdowns, or malfunctions as follows:
 - i. When emissions during any planned shutdowns and ensuing startups will exceed the standards, notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.
 - ii. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards, notification shall be made as promptly as possible by telephone (or other electronic media) and shall be submitted in writing upon request.
- (2) The permittee shall promptly report deviations from permit requirements including those attributed to upset conditions (other than emission exceedances covered by Reporting Requirement condition a.(1) above), the probable cause of the deviation, and corrective or preventive measures taken; to the Regional Office listed on the front of this permit within 30 days. Other deviations from permit requirements shall be included in the semiannual report [Section 1b-V-3 of the *Cabinet Provisions and Procedures for Issuing State-Origin Permits* incorporated by reference in 401 KAR 52:040 Section 23].
- b. The permittee shall furnish information requested by the Cabinet to determine if cause exists for modifying, revoking and reissuing, or terminating the permit; or to determine compliance with the permit [Section 1a-6 of the *Cabinet Provisions and Procedures for Issuing State-Origin Permits* incorporated by reference in 401 KAR 52:040 Section 23].
- c. Summary reports of monitoring required by this permit shall be submitted to the Regional Office listed on the front of this permit at least every six (6) months during the life of this permit. For emission units that were still under construction or which had not commenced operation at the end of the 6-month period covered by the report and are subject to monitoring requirements in this permit, the report shall indicate that no monitoring was performed during the previous six months because the emission unit was not in operation. The summary reports are due January 30th and July 30th of each year. All deviations from permit requirements shall be clearly identified in the reports. All reports shall be certified by a responsible official pursuant to 401 KAR 52:040, Section 21.

4. Inspections

In accordance with the requirements of 401 KAR 52:040, Section 3(1)(f) the permittee shall allow authorized representatives of the Cabinet to perform the following during reasonable times. Reasonable times are defined as during all hours of operation, during normal office hours; or

GENERAL CONDITIONS (CONTINUED)

or during an emergency:

- a. Enter upon the premises to inspect any facility, equipment (including air pollution controls equipment), practice, or operation.
- b. To access and copy any records required by the permit.
- c. Inspect, at reasonable times, any facilities, equipment (including monitoring and pollution control equipment), practices, or operations required by the permit.
- d. Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements.

5. Emergencies/Enforcement Provisions

- a. The permittee shall not use as defense in an enforcement action, the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance [Section 1a-3 of the *Cabinet Provisions and Procedures for Issuing State-Origin Permits* incorporated by reference in 401 KAR 52:040 Section 23].
- b. An emergency shall constitute an affirmative defense to an action brought for the noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or relevant evidence that:
 - (1) An emergency occurred and the permittee can identify the cause of the emergency;
 - (2) The permitted facility was at the time being properly operated;
 - (3) During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
 - (4) The permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division within two working days after the time when emission limitations were exceeded due to the emergency and included a description of the emergency, steps taken to mitigate emissions, and corrective actions taken.
- c. Emergency provisions listed in General Condition 5.b are in addition to any emergency or upset provision contained in an applicable requirement [401 KAR 52:040, Section 22(1)].
- d. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof. [401 KAR 52:040, Section 22(2)]

6. Compliance

- a. Periodic testing or instrumental or non-instrumental monitoring, which may consist of record keeping, shall be performed to the extent necessary to yield reliable data for purposes of demonstration of continuing compliance with the conditions of this permit. For the purpose of demonstration of continuing compliance, the following guidelines shall be followed:
 - (1) Pursuant to 401 KAR 50:055, General compliance requirements, Section 2(5), all air pollution control equipment and all pollution control measures proposed by the application in response to which this permit is issued shall be in place, properly

GENERAL CONDITIONS (CONTINUED)

- maintained, and in operation at any time an affected facility for which the equipment and measures are designed is operated, except as provided by 401 KAR 50:055, Section 1.
- (2) A log of the monthly raw material consumption and monthly production rates shall be kept available at the facility. Compliance with the emission limits may be demonstrated by computer program, spread sheets, calculations or performance tests as may be specified by the Division [401 KAR 50:055, Section 2].
- b. Pursuant to 401 KAR 52:040, Section 19, the permittee shall certify compliance with the terms and conditions contained in this permit by January 30th of each year, by completing and returning a Compliance Certification Form (DEP 7007CC) (or an approved alternative) to the Regional Office listed on the front of this permit in accordance with the following requirements:
- (1) Identification of the term or condition;
 - (2) Compliance status of each term or condition of the permit;
 - (3) Whether compliance was continuous or intermittent;
 - (4) The method used for determining the compliance status for the source, currently and over the reporting period, and
 - (5) For an emissions unit that was still under construction or which has not commenced operation at the end of the 12-month period covered by the annual compliance certification, the permittee shall indicate that the unit is under construction and that compliance with any applicable requirements will be demonstrated within the timeframes specified in the permit.
 - (6) The certification shall be postmarked by January 30th of each year. Annual compliance certifications shall be mailed to the following addresses:

Division for Air Quality	Division for Air Quality
London Regional Office	Central Files
875 S. Main Street	803 Schenkel Lane
London, KY 40741	Frankfort, KY 40601-1403
- c. Permit Shield - A permit shield shall not protect the owner or operator from enforcement actions for violating an applicable requirement prior to or at the time of permit issuance. Compliance with the conditions of this permit shall be considered compliance with all:
- (1) Applicable requirements that are included and specifically identified in this permit; or
 - (2) Non-applicable requirements expressly identified in this permit [401 KAR 52:040, Section 11].

7. Construction Requirements:

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the construction of the equipment described herein, Emission Units 01, 02, 03, 04, 05, 06 and 13 in accordance with the terms and conditions of this permit.

- a. Pursuant to 401 KAR 52:040, Section 12(3), unless construction is commenced on or before 18 months after the date of issuance of this permit, or if construction is commenced and then stopped for any consecutive period of 18 months or more, or is not completed within a reasonable timeframe, then the construction and operating authority granted by this permit for those affected facilities for which construction was not completed shall immediately become

GENERAL CONDITIONS (CONTINUED)

become invalid. Upon a written request, the Cabinet may extend these time periods if the source shows good cause.

- b. Pursuant to 401 KAR 52:040, Section 12(4)(a) and 401 KAR 59:005, General provisions, Section 3(1), within 30 days following construction commencement, within 15 days following start-up and attainment of maximum production rate, or within 15 days following the issuance date of this permit, whichever is later, the owner and/or operator of the affected facilities specified on this permit shall furnish to the Regional Office listed on the front of this permit, with a copy to the Division's Frankfort Central Office, the following:
 - (1) Date when construction commenced.
 - (2) Start-up date of each of the affected facilities listed on this permit.
 - (3) Date when maximum production rate was achieved.
- c.
 - (1) Pursuant to 401 KAR 59:005, General provisions, Section 2(1), this permit shall allow time for the initial start-up, operation and compliance demonstration of the affected facilities listed herein. However, within 60 days after achieving the maximum production rate at which the affected facilities will be operated, but not later than 180 days after initial start-up of such facilities, the owner or operator shall demonstrate compliance to a duly authorized representative of the Division.
 - (2) Pursuant to 401 KAR 59:005, General provisions, Section 3(1)(b), unless notification and justification to the contrary are received by this Division, the date of achieving the maximum production rate at which the affected facilities will be operated shall be deemed to be 30 days after initial start-up.
 - (3) Pursuant to 401 KAR 50:045 Section 5 in order to demonstrate that a source is capable of complying with a standard at all times, a performance test shall be conducted under normal conditions that are representative of the source's operations and create the highest rate of emissions. If the maximum production rate represents a source's highest emissions rate and a performance test is conducted at less than the maximum production rate, a source shall be limited to a production rate of no greater than 110 percent of the average production rate during the performance tests. If and when the facility is capable of operation at the rate specified in the application, the source may retest to demonstrate compliance at the new production rate. The Division for Air Quality may waive this requirement on a case-by-case basis if the source demonstrates to the Division's satisfaction that the source is in compliance with all applicable requirements.
- d. Operation of the affected facilities authorized by this permit shall not commence until compliance with applicable standards specified herein has been demonstrated in accordance with the requirements of 401 KAR 52:040, Section 12(4)(b). Until compliance is demonstrated, the source may only operate for the purpose of demonstrating compliance.

SECTION D - INSIGNIFICANT ACTIVITIES

None